

ASSEMBLY BILL

No. 2087

Introduced by Assembly Member Swanson

February 23, 2012

An act to add Section 41344.7 to the Education Code, relating to school districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2087, as introduced, Swanson. School districts: emergency apportionments: audits.

Existing law authorizes the governing board of a school district to request an emergency apportionment under certain circumstances and requires the school district, if it accepts the emergency apportionment, to agree to specified conditions. Existing law requires the Controller, or his or her designee, to cause an audit to be conducted of the books and accounts for the school district for the fiscal year in which the apportionments are disbursed and each year thereafter until the Controller determines, in consultation with the Superintendent of Public Instruction, that the school district is financially solvent, but in no event earlier than one year following the implementation of the required fiscal plan or later than the time the apportionment made is repaid, including interest.

This bill would provide that if an audit finds that a school district has not complied with the conditions of apportionment that the school district has 2 years from the date of the final audit report to correct the deficiencies that led to the audit finding. The bill would authorize the Education Audit Appeals Panel to waive or reduce the reimbursement or penalty amount if specified determinations are made, but would require the school district to repay the reimbursement and penalty and

waive the school district's right to appeal if the deficiencies are not corrected within 2 years. The bill would also provide that these provisions do not apply in specified circumstances.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 41344.7 is added to the Education Code,
2 to read:
 - 3 41344.7. (a) If an audit conducted by the Controller, or his or
4 her designee, pursuant to subdivision (d) of Section 41320.1, finds
5 a school district has not complied with the conditions of
6 apportionment, the school district shall have two years from the
7 date of the final audit report to correct the deficiencies that led to
8 the audit finding. The Education Audit Appeals Panel may waive
9 or reduce the reimbursement or penalty amount if the Controller,
10 or his or her designee, determines that the school district has taken
11 the appropriate corrective action. If, after two years, the school
12 district fails to correct the deficiencies that led to the audit finding,
13 based on the Controller's review and assessment, the school district
14 shall repay the reimbursement or penalty and waive its right to
15 appeal the audit finding pursuant to Section 41344.1.
 - 16 (b) This section does not apply to all of the following:
 - 17 (1) Audit findings, in any year, that are the result of
18 mathematical errors, clerical errors, or a failure to retain records
19 basic to the audit.
 - 20 (2) The first two audits performed pursuant to subdivision (d)
21 of Section 41320.1.
 - 22 (3) Audits conducted after the governing board of the school
23 district assumes full control over the school district.